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Europe under Nazi Rule

BY VERA MICHELES DEAN

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WHEN France and Britain declared themselves in a state of war with Germany on September 3, 1939, they hoped to overcome the Reich by an economic blockade with a minimum of actual warfare. Having effected the partition of Poland on September 28, however, the Reich began to reorganize Europe east of the Rhine on a basis adapted both to its immediate war needs and its long-proclaimed plans for the future of the continent. While the Allies continued "business as usual,"¹ in expectation of an internal German breakdown, the Nazis perfected their military preparations. In April they occupied Denmark and invaded Norway, successfully checking Allied attempts to eject them from Norwegian territory. They invaded the Low Countries on May 10, subjugated the Netherlands on May 14 and Belgium on May 28, and invaded France. On June 22—Italy having meanwhile entered the war on June 10—the Nazis imposed on the Pétain government the armistice of Compiègne. At the end of the first year of war Germany, either through outright military domination or political and economic influence, controlled practically the entire continent, except for the European part of Russia, and expected to crown its series of dramatic victories by a successful attack on Britain. In this attack it had enlisted the aid of its Axis partner, Italy, which launched a drive into Egypt on September 12; and hoped to obtain the active assistance of Spain and Portugal, which were promised portions of British possessions in Africa.

German hegemony of the continent was limited only by the active resistance of Britain and the passive resistance of the Soviet Union. Having been forced by Germany's victories to liquidate virtually all its continental commitments, Britain had concentrated its military and economic forces

in the British Isles, from which it was not only repelling German air attacks, but had begun to deliver systematic blows at Germany and German-occupied territory. The Reich, in turn, increased the tempo of its air raids on Britain, designed to cripple British industry, disrupt British shipping, and demoralize British civilians to the point where they would either sue for peace, or prove an easy prey to invasion. In its efforts to repel Germany Britain was receiving steadily increasing aid from its Dominions, and was drawing on the expanding industrial resources of the United States. Germany, in turn, was exploiting the resources of European countries, notably the Balkans, where it dictated the disposition of controversial territories which might otherwise have provoked conflicts in that region.

While Britain was resisting Germany, the Soviet Union was attempting to improve its strategic position by the incorporation into its territory of Estonia, Latvia and Lithuania; the conquest of eastern Finland; and the acquisition from Rumania of Bessarabia and Northern Bukovina. These Soviet conquests—achieved, except in the case of Finland, with a minimum of bloodshed—were apparently made with the consent, explicit or tacit, of the German government. By October 1940, however, the Germans seemed determined to block further Russian advances into the Balkans. Yet it was difficult to establish a connection between Britain's fight for life against the Axis powers, and Russia's efforts to improve its defensive position in case of further Nazi expansion to the east. For while Moscow feared that a victorious Germany might eventually carry out Hitler's *Mein Kampf* program for seizure of the Ukraine, the U.S.S.R., like Germany, would derive tangible benefits from the break-up of the British Empire, whose interests have clashed with those of Russia for a century in the Near and Middle East.

1. J. C. deWilde and D. H. Popper, "Wartime Economy of Britain and France," *Foreign Policy Reports*, July 15, 1940.

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HITLER'S "NEW ORDER"

Although deeply absorbed in their life-and-death struggle with the British Empire, the Nazis lost no time in reorganizing the continent in accordance with plans openly discussed by the German press since 1933. The Nazis believe that the era of small national states, which in their opinion are merely pawns of the great powers and have no right to hold rich colonial possessions—such as Belgium has in the Congo or Holland in the Dutch East Indies—is definitely over. The new era, they claim will see the emergence of vast continental areas, each ruled by a dominant race.² Under this scheme Europe, except for the Soviet Union, would be ruled by Germany; the Far East by Japan; Africa by Germany and Italy, with the collaboration of Spain and Portugal; the Western Hemisphere possibly by a United States "purified" of anti-Nazi elements, but only on condition of free access to the resources of Latin America by a German-controlled Europe.

When this "new order" has been established, according to Nazi writers, Britain and the United States would be excluded from any influence in Europe. Germany would rule the continent, while Italy would control both coasts of the Mediterranean and obtain part of the Near East, and Spain would be awarded Gibraltar and a section of French North Africa. The European continent, whose relations with other continental areas would be conducted solely by Germany, would be reorganized into a hierarchy of vassal peoples, whose status, functions and treatment would be dictated from Berlin.³ In this hierarchy it is conceivable that France, once described by Hitler as Germany's "mortal enemy," might be treated better than Britain; Belgium, Holland, Denmark, Norway and Sweden, whose peoples are regarded as akin to the Germans, would receive preferential treatment as compared with the Slavs of Eastern Europe, who would be condemned to the rôle of helots; while an ally like Italy would be allowed to share in the spoils of victory. From the reorganized continent all Jews—presumably defined in accordance with Germany's Nuremberg laws—would be excluded, being offered the choice of

either starving, or settling in some remote region like Madagascar or Ethiopia, the expense of travel and settlement to be borne by their coreligionists in the United States. The remaining populations would be shuttled back and forth across the continent at will, wherever their services might be required by the German economy. And the entire continent would be forced to accept the political and economic concepts of Nazism.

Political Reorganization. Although it is obviously too early, at this stage, to form definite conclusions regarding the system that a German peace settlement might impose on Europe, the general lines of this system can already be discerned. The western part of Poland and the Protectorate of Bohemia-Moravia—the two Slav regions of Eastern Europe directly under German rule—have been absorbed into the Reich. By contrast, in Western Europe the Nazis at first maintained the outward forms of native administration—except for the Grand Duchy of Luxemburg and the Belgian areas of Eupen and Malmédy, which have been incorporated into the Reich.⁴ German commissioners were immediately given control of Denmark, Norway, Belgium, Holland, and occupied France. But in all these countries the Nazis first sought to place direct responsibility for administration on native leaders, not necessarily former Nazis. The same method was followed with respect to non-occupied countries like Hungary and Rumania which, either from choice or necessity, support the Axis powers. In Norway, for example, the Germans were reluctant in the beginning to entrust the government to the Nazi leader, Major Quisling, and in Holland the Dutch Nazi leader, Anton Mussert, was not immediately put in power. In Belgium, the Nazis made a determined, but unsuccessful, attempt to enlist the cooperation of King Leopold. In Rumania, the Germans apparently advised the pro-Nazi Iron Guard to abstain from open agitation, and supported General Antonescu. By this procedure the Nazis may have hoped to conciliate the populations of occupied territories, making gradual acceptance of German rule more palatable.⁵

2. Cf. Chancellor Hitler's proclamation to the National Socialist party on December 30, 1939. *The New York Times*, December 31, 1939. Cf. also statement by Nazi spokesman on July 15, 1940: "National-Socialist values are of super-State significance and the expression of the demands of the twentieth century, while it is of determinative significance that the reorganization of Europe should be carried out pre-eminently under the leadership of the best and most successful organizing people." *The Times* (London), July 16, 1940.

3. The *Bukarester Tageblatt*, organ of the German minority in Rumania, stated in July 1940: "Individual states are not to be allowed to pick and choose their position in the new order, but must accept the place allotted to them." *Ibid*.

4. The Grand Duchy of Luxemburg, occupied by the Germans in May 1940, has an area of 998 square miles and a population of 310,000. *The New York Times*, September 30, 1940. Eupen and Malmédy, which were part of German territory before 1919, had been awarded to Belgium under the Versailles Treaty.

5. Cf. the following statement by Adolf Hitler: "An intelligent victor will, whenever possible, present his demands to the vanquished in instalments. He can then be sure that a nation which has become characterless—and such is every one which voluntarily submits—will no longer find any sufficient reason in each of these detailed oppressions to take to arms once more. The more extortions thus cheerfully accepted, however, the more unjustified does it seem to people finally to set about

They may also have wanted to place on native administrators the onus for hardships and misfortunes imposed by German conquest, in the expectation that these administrators would enforce Nazi demands more drastically than the Nazis themselves.⁶ All political arrangements in the occupied countries, however, were obviously a stop-gap, adopted in the expectation that the war would prove of short duration. As the war dragged on, it became increasingly necessary, from the Nazi point of view, to impose ever stricter controls on native administrators, for fear that the population of occupied territories, encouraged by Britain's resistance, might resort to some form of passive disobedience.

Whatever may be Hitler's ultimate plans for the political reorganization of Europe, it is already clear that many of the practices familiar in Germany have been introduced in conquered countries, at least for the duration of the war—either directly by the Nazis, or by native administrators under Nazi pressure. Among such measures are secret police, concentration camps for persons regarded as "hostile" to the "new order," censorship of the press and mails, restrictions on the use of radio and telephone, "coordination" of trade unions, the spread of anti-Semitism, and abolition of secret societies, notably Free Masonry.

Economic Reorganization. In the economic sphere, the Nazis have taken far-reaching measures to achieve both short-term and long-term objectives.⁷ Their short-term objective is to supplement Germany's reserves of foodstuffs, raw materials and consumers' goods by requisition or purchase of all available products in occupied territories, and their export into the Reich. The owners of goods requisitioned or purchased by the Germans are paid either with native currency, whose value in terms of German marks is arbitrarily fixed by the Nazi authorities at a low rate, or through vari-

ous forms of drafts, bank notes and exchange clearings, all of which must be eventually honored by the central banks of the occupied countries. In either case, the German government and German citizens purchase food and consumers' goods in occupied countries at low prices which, in effect, are paid by the conquered countries themselves.⁸ Germany is thus apparently depleting the occupied countries of agricultural and manufactured products by a process which takes the form of concealed inflation, and places these countries economically at the mercy of the Reich.

The long-term objective of the Nazis is to dovetail the industries of conquered countries into the German economy, and force them, as much as possible, to expand their agriculture. Under this scheme Germany, and perhaps Italy, would act as the industrial centers of Europe, drawing foodstuffs and raw materials from the occupied territories which, in turn, would be obliged to purchase German and Italian manufactured goods at prices set by the Axis powers. Measures looking to this fundamental economic reorganization of the continent have already been taken, notably in Eastern Europe and the Balkans, which the Germans even before 1914 regarded as the Reich's natural sphere of influence. In this region the Germans are systematically reducing industrial production, by closing down plants which compete with their own; sending the workers thus thrown out of employment to the Reich; and excluding the Jews, who owing to their previous exclusion from agricultural pursuits, had played a dominant part in the commercial and financial life of relatively backward agrarian countries.

So far as the more industrialized countries of Western Europe are concerned, it is already evident that the Germans intend to close or curtail industries which in the past have relied on imported raw materials, except for a few enterprises which do not compete with those of the Reich, such as the fashion and luxury trades of France; to transfer their skilled workers to the Reich, at least for the duration of the war, thus releasing additional Germans for war service; and to persuade or force them to expand their agriculture. This trend toward agrarianism, strongly advocated by the Nazis in Germany, is supported by a number of Europe's new rulers, notably Marshal Pétain of France, who contend that the inherent virtues of a nation reside in its peasantry, and that only by returning to the land will industrial countries shake off the intellectual and spiritual vices allegedly produced by urban existence. By curtail-

defending themselves against some new, apparently isolated, although really constantly recurring, oppression, especially if, taking everything together, so much more and greater misfortune has been borne silently and tolerantly without doing so." *Mein Kampf* (New York, Reynal & Hitchcock, 1939), p. 968.

6. "One must not expect embodiments of characterless submission suddenly, to repent in order, on the basis of intelligence and all human experience, to act otherwise than hitherto. On the contrary, these very people will hold every such lesson at a distance, until the nation is either once and for all accustomed to its slave's yoke, or until better forces push to the surface to wrest power from the hands of the infamous corrupters. In the first case these people contrive to feel not at all badly, since they not infrequently are entrusted by the victors with the office of slave overseer, which these characterless types then exercise over their own nation, at that generally more heartlessly than any alien beast imposed by the enemy himself." *Ibid.*, pp. 969-70.

7. Cf. "Europäische Planung," *Der deutsche Volkswirt*, August 2, 1940, p. 1579.

8. "Scientific Looting," *The Economist* (London), August 24, 1940, p. 249; C. E. Egan, "Inflation's Germs March with Nazism," *The New York Times*, October 6, 1940.

ing the industries of occupied countries, the Nazis are drastically reducing their capacity for eventual rearmament, and consequently the possibility of armed revolt against Nazi rule. It should be added that this process of industrial retrenchment is due not only to German measures, but also to the shortage of imported raw materials caused by the British blockade.

Ideological Changes. At the same time, the Nazis are using every device of force and propaganda to destroy the intellectual leadership of occupied countries, or reduce them to impotence, by closing all channels of free education and free expression. Here, as in the economic sphere, the most drastic treatment has been meted out to the Czechs and Poles, considered unworthy of an independent intellectual life. The intellectual élite of Poland and Czechoslovakia have been executed, driven into exile, or deprived of facilities for further work. No such stringent measures have yet been applied on a large scale in the occupied countries of Western Europe, but a somewhat similar end has been achieved by severe censorship of the press and radio, suppression of critics, and minute supervision of educational institutions.

The Nazis constantly emphasize the need for "new leaders," "new ideas," a "new order," in occupied countries, and their demand coincides with the desire of the stunned and disillusioned populations for a clean sweep of the systems and leaders whose inadequacy was revealed in the hour of crisis. Judging by developments in the conquered countries, these new leaders are to be sought neither among the old-style politicians nor among the industrialists who had hoped that Nazism would prove a bulwark against communism. They are to be sought among so-called Neo-Socialists who, after having advocated socialism, and even communism, during the post-war period, swung away from these movements, sometimes far to the Right, and now contend that the ideas of National Socialism, if translated by each country into national terms, offer concrete fulfillment of the promises once held out by socialism. Like the Nazis, the Neo-Socialists are anti-democratic, anti-communist, anti-capitalist, and anti-Semitic, but at the same time often fanatically nationalist. Among them the most important are Henri de Man of Belgium, who has already been mentioned as a possible *Gauleiter* (district leader) for his country under Nazi rule; Major Quisling of Norway, once a Communist sympathizer; and, in France, Jacques Doriot, who after preaching communism turned to the Right, forming his own French Social party; and Marcel Déat, leader of French Neo-Socialists. These men believe, or at

least contend, that a German victory over the British Empire is inevitable and even desirable; and that France and other European countries must dissociate themselves from Britain, accept the "new order" contemplated by the Nazis, and sincerely collaborate with Germany in the reorganization of Europe.

EASTERN EUROPE

Poland. The extent to which Germany has carried out its plans for European reconstruction varies according to countries, as well as according to the period of time different countries have been under Nazi rule. The process of Nazification has gone furthest in Poland and former Czechoslovakia, the two Slav states whose total and permanent subjection was a cardinal feature of Nazi policy. When Poland was conquered by Germany in September 1939, it was first indicated by Nazi spokesmen that the country would be partitioned into four segments: western Poland, including East Prussia, the Polish Corridor, Silesia and the Free City of Danzig, which were incorporated into the Reich by decrees of September 1 and October 8, 1939;⁹ eastern Poland, which was surrendered to the Soviet Union under the German-Soviet treaty of September 28, 1939; the Teschen area, taken by Poland during the first partition of Czechoslovakia after the Munich accord, which was allotted to Slovakia; and the so-called Gouvernement General of Poland. Although occupied and administered by the Germans, the Gouvernement General was eventually to be set up as a Polish state, to which were to be transferred Poles and Jews from western Poland. On August 16, 1940, however, Dr. Hans Frank, Governor General of occupied Poland, indicated that Germany might absorb the Gouvernement General of Poland when he declared that the Polish people had again come under the "protectorship" of the German nation.¹⁰

With the incorporation of western Poland into the Reich, Germany acquired a territory aggregating 36,242 square miles, with a population of 10 million. It obtained the two Baltic ports of Danzig and Gdynia (now Gotenhafen), and Lodz (now Litzmannstadt), center of the Polish textile industry. Other important cities brought under German rule are Posen, outstanding for its flour mills and distilleries, and Kattowitz and Sosnowitz, in the heart of the iron and coal region.¹¹

Meanwhile, the area of Poland assigned to Russia, consisting of western Ukraine and western

9. *The New York Times*, September 29, 1939.

10. *Ibid.*, August 17, 1940.

11. U.S., Department of Commerce, *Commerce Reports*, September 7, 1940, p. 767.

White Russia, was incorporated into the Soviet Union on November 3, 1939, in the form of two administrative areas, renamed respectively Soviet Ukraine and Soviet White Russia. This area contained about 77,703 square miles, with a population of approximately 12 million. The Vilna district, consisting of 2,588 square miles, with a population of 426,000—a bone of contention between Poland and Lithuania after the World War—was returned by the Soviet Union in October 1939 to Lithuania, which in August 1940 was in turn incorporated into the U.S.S.R.

German administration of Poland after the conquest may foreshadow the conditions that might be established in other German-occupied countries. The Poles, traditionally regarded by the Germans as an inferior race, to be treated as "servants," are being rapidly reduced to the status of agricultural laborers, and thousands of them have been deported to the Reich, where they are for the most part assigned to work on farms, for which they are paid 2 or 3 marks a day. Germans are strictly enjoined against inter-marriage, or even "comradeship," with the Poles.¹² Polish farmers who have been permitted to remain in Poland, whether estate owners or peasants, receive instructions from German agricultural experts regarding the kind and quantity of crops they must raise, and the quota of their yield—frequently as high as 50 per cent—that must be turned over to the German authorities. A million or more Poles, Christians and Jews, had been moved from western Poland to the central part of the country by the summer of 1940. In spite of the destruction that had taken place in Warsaw, the population of that city had been increased half a million by incoming Christian and Jewish refugees, who had no means of existence. Meanwhile, Germans from the Baltic countries—Estonia, Latvia and Lithuania—as well as from densely populated sections of the Reich have been resettled in western Poland, with a view to permanent Germanization of that area.

Participation by Poles in trades and professions has been reduced to a bare minimum. Germany apparently intends to transform Poland into a purely agrarian region, and consequently occupations that appear to conflict with German plans have been closed to Poles. Workers and technicians who thus lost their employment have been offered the choice between starvation, or work at any tasks that may be assigned to them by the Germans, either in Poland or in the Reich. Educational occupations and professions such as law and medicine have been drastically curtailed. Uni-

versities, libraries, museums, and other institutions of learning have been closed or put to other uses, sometimes as barracks. By these methods, the Germans apparently hope to destroy any possibility that new leaders might arise in Poland, who would urge their people to revolt against Nazi rule. Factories not needed by the Germans have been closed, and in some instances apparently even demolished. The standard of living has been sharply reduced. Food is severely rationed, and such items as butter and milk are either unobtainable, or can be secured only at prices so high as to be unattainable for Poles.¹³

Czechoslovakia. Conditions in Czechoslovakia are in some respects similar to those in Poland. Following the Munich accord, under which Germany obtained the Sudeten districts of Czechoslovakia,¹⁴ the Nazis gave the impression that they would tolerate the existence of a shrunken Czecho-Slovak state, shorn of its fortifications, provided it conformed politically and economically with Germany's objectives. After presenting a series of demands which threatened to reduce the "independence" of rump Czecho-Slovakia to the vanishing point, and encouraging the separatist movement in Slovakia, the Nazis occupied Prague on March 15, 1939. Bohemia and Moravia were transformed into a German "protectorate," under the rule of a Reich protector, Baron von Neurath, former German Foreign Secretary, while Slovakia was set up as an "independent" state, under a native government headed by Premier Tiso. On September 15, 1940 it was announced in Berlin that the customs border between Germany and the Bohemian-Moravian Protectorate would be abolished on October 1, after readjustment of the economy and price structure of former Czechoslovakia to those of Germany. After the outbreak of the war, which shut off the Protectorate from Western Europe and overseas countries, 50 per cent of its "foreign trade" was carried on with the Reich. Abolition of tariff barriers, however, is not apparently equivalent to establishment of a free-trade régime between the Reich and its new territory. Elaborate agreements among the various branches of industry in the Reich and the Protectorate provide for restriction of competition, either through the reservation of respective territories for local manufacturers, or by the establishment of mutual export quotas and the fixing of minimum prices.¹⁵

13. *Christian Science Monitor*, September 4, 1940.

14. Cf. V. M. Dean, "Diplomatic Background of the Munich Accord," *Foreign Policy Reports*, January 1, 1939; and *idem*, "Europe's Diplomatic Tug of War," July 15, 1939.

15. *The New York Times*, September 16 and September 23, 1940. Similar arrangements were made when Austria was incorporated into the Reich in 1938.

12. Cf. leaflets on this subject distributed to Berlin householders on September 17, 1940. *The New York Times*, September 18, 1940.

As in Poland, anti-Semitic regulations have been introduced in the Protectorate and in Slovakia; many industries which depended on foreign raw materials and foreign markets have been shut down or curtailed; unemployed workers and students left without occupation by the closing of universities have been sent to the Reich for work in factories, on roads or on farms; and foodstuffs, especially fats, have been appropriated by the Germans. The Skoda armament works, largely financed with French capital, have been used to turn out armaments for the Reich and for countries to which Germany exports arms.

The Balkans. In the Balkans, which for the time being remain nominally independent, the principal object of the Axis powers has been to prevent the spread of war to this area, and thus preserve an important source of foodstuffs and oil; to eliminate the remnants of Anglo-French influence; and to check further expansion by the Soviet Union. With these objects in mind, the Axis powers have sought to detach the Balkan countries from France and Britain by economic pressure, threats and propaganda, and to keep them from becoming embroiled with each other over centuries-old problems of territorial revision. French and British technicians, educators and journalists have for the most part been ousted from Rumania, and are subjected to growing disadvantages in Yugoslavia and Bulgaria, being rapidly replaced by German advisers. Foreign properties in Rumania, notably the oil fields controlled by British, American and Dutch interests, have been confiscated or reorganized under German direction. The political framework sponsored in the Balkans by France, which had advocated the enlargement of Rumania and Yugoslavia at the expense of Hungary and Bulgaria and their collaboration with Czechoslovakia in the Little Entente, is being razed to the ground; while Greece and Turkey, which in 1939 had accepted guarantees of British assistance, are being threatened with Axis retaliation if they do not break off their ties with Britain.

Partition of Rumania. The first important step of the Axis toward territorial revision of the peace treaties in the Balkans was taken early in August, when Germany and Italy ordered Rumania to comply with Bulgaria's claim to Southern Dobruja. This territory, adjoining the Black Sea, had been surrendered by Bulgaria to Rumania in 1913, following the second Balkan war. Despite efforts to Rumanize the territory, the Bulgarians, numbering between 130,000 and 150,000, still constitute the principal element in the population. The government of King Carol, alarmed by Russia's occupation of Bessarabia, a former province

of the Russian Empire, and of Northern Bukovina, formerly a part of the Austro-Hungarian Empire, yielded to the demand of the Axis powers in the hope of obtaining Italo-German protection against further Soviet encroachments; and on September 7 an agreement was reached in Craiova, Rumania, for cession of Southern Dobruja to Bulgaria.¹⁶ Rumania thus lost 7,726 square kilometers of territory with 378,344 inhabitants, among whom, it is estimated in Bucharest, are 77,728 Rumanians. The 91,476 Bulgarians remaining in Rumania may be transferred to Bulgaria on an exchange basis.¹⁷

The partition of Rumania, however, had only begun. On August 26, when direct negotiations between Rumania and Hungary regarding territorial revision had reached a deadlock, and border incidents threatened to flare up, the Axis powers intervened in the dispute. Hungarian and Rumanian delegates were summoned to Vienna, where on August 30 Herr von Ribbentrop, German Foreign Secretary, and Count Ciano, Italian Foreign Minister, handed down an "arbitral award," turning over the northern half of Transylvania to Hungary.¹⁸

Transylvania had been a disputed territory ever since its conquest by the Hungarians in the 10th century. In 1526 Transylvania was occupied by Turkey which, in turn, yielded it to Austria in 1683. The area again came under Hungarian rule in 1867 with the establishment of the Dual Monarchy, but in 1919 the Paris Peace Conference forced Hungary to cede it to Rumania. Throughout its turbulent history Transylvania had retained its own economic and political life. Its population, like that of many other parts of the Balkans, had been inextricably mixed, consisting of Rumanians, Hungarians, Germans and Jews, as well as a sprinkling of other people. Many wealthy Hungarians owned large estates in Transylvania, which were considerably reduced by Rumania's post-war agrarian reforms.

Pending final delimitation of the new frontier, it is difficult to give accurate figures concerning the area and the population of northern Transylvania. According to Bucharest, the transfer involved 19,300 square miles with a population of 2,385,987 in 1930; according to Budapest, an area of 17,000 square miles with 2,370,000 inhabitants. Calculations based on the 1930 Rumanian census indicate that, along with less than a million Hungarians, the Budapest government will acquire more than a million Rumanians. No provision has been made for compulsory resettlement of the Hungarians and Rumanians left on each side of

16. *The New York Times*, September 8, 1940.

17. *Ibid.*, August 18, 1940.

18. *Ibid.*, August 31, 1940.

the new frontier, but it is expected that the Axis powers will press for a "voluntary" arrangement in the hope of preventing any revival of disputes over Transylvania.¹⁹ The bulk of the German minority, estimated at 536,311, remains in Rumania, and will be granted important new privileges.

The Vienna award provoked violent anti-Axis demonstrations throughout Rumania, and brought the fall of Premier Gigurtu, who on September 3 was succeeded by General Antonăscu, "strong man" of Rumania, until recently imprisoned for his allegedly pro-Nazi views. On September 3 King Carol—accused of having yielded Rumanian territory to the Axis powers for fear of Soviet invasion—bowed to the General's demand for his withdrawal; abdicated his already drastically reduced powers in favor of his son, Prince Michael; and departed once more into exile, accompanied by Mme. Lupescu, whose influence on the King had long been denounced by the Iron Guard and other Rumanian politicians. General Antonăscu was regarded as sympathetic to the Axis powers, and in any case had no choice but to accept the course dictated by Hitler. At the outset, he seemed reluctant to place Rumania under the direct rule of the Iron Guard. This group, whose principal leaders had been executed or imprisoned in September 1939 following the assassination of Premier Calinescu by an Iron Guardist, had maintained close relations with Berlin, and had hoped to seize power on the dissolution of the monarchy. The Iron Guard, however, is not only anti-Semitic and anti-democratic, but also fanatically nationalist; and the Vienna award split the group, some of whose members urged resistance against Hungarian occupation of this area, which began on September 5 and was completed on the 13th. On September 14, when Rumania seemed menaced by anarchy, General Antonăscu proclaimed the formation of a "legionary" state, with himself as chief, and Horia Sima, leader of the Iron Guard or Legion, as Vice Premier. Under the new régime, which is to be closely patterned on that of Nazi Germany, the Iron Guard will function as the sole political party; and on October 6 General Antonăscu assumed command of the Iron Guard, which was moving rapidly to take over supervision of foreign concerns in Rumania.

The Tide of Revision. Uneasiness in the Balkans, however, was not checked by the adjustment of Bulgarian and Hungarian claims against Rumania. Once Bulgaria had recovered Southern Dobruja, which was occupied in four stages between September 15 and 25, some of its spokes-

men began to demand the return of four small regions in eastern Yugoslavia and of western Thrace,²⁰ which Bulgaria had ceded to Yugoslavia and Greece respectively under the Treaty of Neuilly in 1919. Hungary, not satisfied with re-occupation of Northern Transylvania, was expected to press for return of the Banat, two-thirds of which it had ceded to Rumania and one-third to Yugoslavia under the Treaty of Trianon in 1920.²¹ Italy was demanding a section of Yugoslavia adjacent to Albania, which it occupied in 1939, on the ground that this territory is an Albanian *irredenta*. The stage was thus set for the partition of Greece and Yugoslavia, under the aegis of the Axis powers. Meanwhile, public sentiment in Yugoslavia, which remained favorable to the Western powers, was exacerbated by signs of increased German penetration, and seemed veering toward the Soviet Union, regarded as the only possible check on Axis expansion in this region. A similar trend was noticeable in the masses—though not the ruling circles—of Bulgaria, where the Communist party denounced the country's pro-Axis orientation, and urged rapprochement with the U.S.S.R.²² In both Yugoslavia and Bulgaria the public complained of rising prices and the introduction of rationing, which were due less to bad harvests than to German demands for the delivery of additional foodstuffs.

Nor was Hungary, direct beneficiary of the revisionist campaign, permitted to enjoy complete independence. German influence in Hungary showed marked progress after the Vienna award, as indicated by the increasing importance of the Nazi movement, whose leader, Major Ferenc Szalasi, was released after a two-year term of imprisonment under a large-scale amnesty proclaimed in connection with the recovery of northern Transylvania;²³ a new anti-Semitic campaign, which brought at least 70,000 Jews of all walks of life into concentration camps, allegedly for labor ser-

20. Western Thrace is a strip of territory averaging 80 miles in length and nearly 30 miles in depth, through which Bulgaria had access to the Aegean Sea, with Porto Lagos and Dedeagach as ports. Since the exchange of populations after 1919, this area is as solidly Greek as the coastal towns. Cf. J. C. deWilde, "The Struggle for the Balkans," *Foreign Policy Reports*, December 15, 1939.

21. The Banat or Voivodina is a roughly triangular area cut off the southern end of the Hungarian plain. Its population—1,380,460 in 1921—consists of Serbs, Croats, Hungarians, Germans, Rumanians, and a sprinkling of other peoples, all inextricably intermingled. When part of the Banat was transferred to Yugoslavia, the Serbs and Croats had no majority there, but they slightly outnumbered the Hungarians. The balance of power was held by the Germans, who totaled about 325,000. *Ibid.*

22. *The New York Times*, August 12, 1940.

23. On September 29 Major Szalasi's Arrow Cross party, largest of Hungary's Nazi groups, absorbed the Magyar National Socialist party. *Ibid.*, September 30, 1940.

19. Cf. J. C. deWilde, "Axis Powers Dictate Rumanian Settlement," *Foreign Policy Bulletin*, September 6, 1940.

vice; a privileged status for the German minority; and the general subservience of Hungarian officials to Germany, notably with respect to censorship.²⁴

Germany also lost no time in seizing control of the International Danubian Commission, established under the Versailles Treaty, from which the Reich had been excluded. On September 17 it was reported that at a conference held in Vienna the preceding week Germany had abolished the commission. The Vienna conference established a "consultative committee" on Danubian affairs, under a permanent German director, Dr. George Martius. The committee will be composed of delegates from Italy, Hungary, Bulgaria, Yugoslavia, Rumania and Slovakia, who will be convened and adjourned by the director.²⁵ On September 13 the Soviet Union demanded the right to be represented on this committee, but the matter has not yet been adjusted.

THE SCANDINAVIAN COUNTRIES

From the point of view of the Nazis, the peoples of Scandinavia fit better into the German pattern than any other Europeans, with the possible exception of the Dutch—on racial, if not yet on ideological, grounds. Alfred Rosenberg, official philosopher of the Nazi party, declared on July 9 that the Scandinavian countries are within the German sphere of political and economic influence²⁶—apparently as a "hands-off" warning to the Soviet Union. It has also been rumored that a Greater Scandinavia might be formed under the leadership of the royal family of Sweden.²⁷ For the time being, however, the Nazis have attempted to govern the two Scandinavian countries they occupy—Denmark and Norway—through native administrators, and have as yet made no attempt to seize Sweden, limiting their action there to economic and propaganda pressure.

The Danish government acquiesced in the German occupation of the country on April 9, and King Christian X, as well as the Cabinet of Premier Stauning, remained nominally in power, under the supervision of a German commissioner. In Norway King Haakon and the Cabinet of Premier Nygaardsvold refused to comply with German demands for surrender, and fled first to northern Norway and then, following the British retreat, took refuge in Britain. With the assent of the German Commissioner, Josef Terboven, a Norwegian administrative commission headed by

Ingolf Christensen was appointed to handle temporarily the country's affairs. This commission replaced the régime of Major Vidkun Quisling, Norwegian Nazi leader, who had proclaimed himself chief of a new Nazi government on April 10. In June the Germans attempted to end the rule of King Haakon, but on July 3 the King, from London, rejected a petition signed by leading members of the Norwegian Storting (Parliament), requesting his abdication and the resignation of his government.²⁸ The possibility of forming a puppet government headed by Major Quisling was then again considered in Berlin, where it was supported by Alfred Rosenberg. Apparently to avert this development, the five Norwegian parties, controlling 149 of the 150 seats in the Storting, united to form an anti-Quisling front early in September.²⁹ On September 11 it was reported that the Storting had declared King Haakon was no longer able to function, but had decided to postpone until after the war the question whether he would be allowed to return to Norway. In the meantime, the country was to be governed by a reorganized administrative commission, again headed by Mr. Christensen.³⁰

Dissatisfied with the results of this arrangement, as well as by increased sabotage reported from Norway,³¹ Commissioner Terboven announced on the radio on September 25 that he had broken off negotiations with Norwegian political parties and the President of the Storting, dissolved all parties except the Nasjonal Samling (National Union) party of Major Quisling, and established by his own authority a "State Council" dominated by Major Quisling's party, although the Major himself did not yet participate in the new government. The German Commissioner declared that King Haakon had been removed as Chief of State, that the succession had been broken, and that Norway henceforth would be neither a monarchy nor a German protectorate, but would be indefinitely occupied by German troops.³²

In Norway, as in Denmark, censorship and secret police have been introduced, food and gasoline have been severely rationed,³³ reserve stocks of oil, raw materials, and foodstuffs have been

24. *Ibid.*, September 17, 1940.

25. *Ibid.*, September 18, 1940.

26. *Ibid.*, July 10, 1940.

27. *Aftonbladet* (Stockholm), August 3, 1940.

28. *The Times* (London), July 9, 1940; C. J. Hambro, *I Saw It Happen in Norway* (New York, Appleton Century, 1940).

29. *The New York Times*, September 8, 1940.

30. *Ibid.*, September 12, 1940.

31. *Ibid.*, September 24, 1940.

32. *Ibid.*, September 26, 1940.

33. As no fodder can be imported owing to the blockade, the Danish government has ordered a reduction of livestock by 750,000 head of cattle, 1,500,000 pigs, and 7,000,000 poultry. For a German analysis of Denmark's economic situation, cf. "Aufstrebender Güteraustausch mit Dänemark," *Der deutsche Volkswirt*, August 2, 1940, p. 1584.

shipped to the Reich,³⁴ and the activities of the population have been minutely regulated by the German authorities. On September 15 the Germans imposed special restrictions on the coast areas of Norway, where preparations were being made for the invasion of Britain. Within this zone large sections were closed to all but the German armed forces.³⁵

Sweden. Through a careful "keep out of war" policy, Sweden has so far escaped domination by either of its powerful neighbors—Germany or the Soviet Union. The popularity of this policy received striking evidence at the polls, when in the national elections of September 15 the Social Democratic, or Labor, party won a remarkable victory under the leadership of the Premier, Per Albin Hansson. The Social Democrats won 19 seats in the House of Representatives, while the Agrarians, a conservative group, lost 8 seats, the Socialists were completely eliminated from Parliament, and the Communists, although gaining one seat in Stockholm, lost 2 seats in Norrland and one in Göteborg. The Socialists and Communists together lost almost half of the popular vote they had obtained in the 1936 elections. This change was attributed to the unfavorable impression produced in Sweden by Russia's war with Finland.³⁶ Swedish public opinion seems determined to resist Nazi encroachments, and the press, until recently, enjoyed considerable freedom to present the British, as well as the German version of war developments, and to criticize Germany. At the same time, it is feared in Sweden that a British victory, followed by Germany's military collapse, would merely open the way to domination of the continent by the Soviet Union. Given this choice between two evils, many Swedes would prefer a German victory, although they have no illusions regarding the difficulties, and even dangers, such an outcome would create for Sweden.

Some of these difficulties have already assumed concrete form. Cut off by the war and the British blockade from markets overseas and foreign sources of raw materials, Sweden has been forced to readjust its economy to greatly curtailed trade, conducted principally with Germany, German-occupied territories, and the Soviet Union. On September 10 the German Ministry of Commerce,

on behalf of Belgium and the Netherlands, concluded trade agreements with Sweden, which set a precedent for future German trade transactions in the name of occupied countries. Under these two agreements, the bulk of Swedish exports to Belgium and the Netherlands will consist of wood, especially wood piles necessary for the reconstruction of destroyed villages and towns, notably Rotterdam. Imports will consist of flowers, vegetables, fruit, radio sets, etc. In each case, the agreements provide for exactly balanced trade. The reason given by the Germans for not permitting a direct clearing arrangement between Sweden and the Netherlands was that the Dutch government in London controls all available Dutch financial resources in foreign countries.

After four months of negotiations Sweden, on September 9, also signed two agreements with the Soviet Union, one regarding trade, and the other concerning a 100,000,000-kronor credit to be granted by Sweden to Russia. The trade agreement provides for an increase in Swedish exports, valued at 18 million kronor in 1938, to 100,000,000 kronor, and of Russian exports, valued at 12 million kronor in 1938, to 75 million kronor. The Soviet Union will import from Sweden railway material, especially railway-car wheels, machine tools, high-grade steel, ball bearings and other machinery. Soviet exports to Sweden will consist chiefly of oil products, fodder, and manganese ore. Sweden is particularly interested in oil products, having been completely cut off from other sources of supply. Although consumption of gasoline has been reduced to 10 per cent of the pre-war level, rapidly dwindling stocks had been creating grave anxiety in Sweden. The 100,000,000-kronor credit, granted by Sweden for five years at 4½ per cent interest, may be expended by the Soviet Union in the course of two years to purchase supplementary machine tools.³⁷

Sweden's officially correct relations with Germany have not protected it against German criticisms, which increased as the war dragged on, and Germany perfected its preparations for an invasion of Britain. In September issues of the leading Swedish provincial liberal newspaper, the *Göteborgs Handels-och Sjöfartstidning*, were confiscated by order of the government, after its editor had qualified as "doubtful" the accuracy of German reports on the Reich's air losses, and had stated that the British would fight "with the certainty final victory is theirs."³⁸

Switzerland. Similar difficulties were experienced by Switzerland which, like Sweden, had

34. The Danish Minister of Commerce, Herr Möller, announced in September that Germany owed Denmark 800,000,000 kroner for purchases made in that country.

35. *Ibid.*, September 16, 1940. The bulk of Norway's merchant fleet, comprising 1,500 ships totaling 6 million tons, escaped seizure by the Germans, and is operated by the Norwegian Shipping and Trade Mission, with headquarters in Montreal. *The American-Scandinavian Review* (New York), Autumn 1940, p. 273.

36. *Ibid.*, September 16, 1940.

37. *Ibid.*, September 10, 1940.

38. *Ibid.*, September 18, 1940.

escaped occupation by Germany during the first year of the war. On September 16 the President of Switzerland, M. Marcel Pilet-Golaz, was taken to task by the Federal Council for having received, on September 12, Ernest Hoffman and Jacob Schaffner, leaders of the Swiss Nationalist movement, who support collaboration with Germany and the introduction of a totalitarian system,³⁹ as well as for lifting the ban on the German Nazi organ *Voelkischer Beobachter*, without corresponding relaxation of German restrictions on Swiss papers.⁴⁰ The Council declared that its own policies still were based on an "inflexible determination to preserve Switzerland's independence and liberty, and a rigorous observance and maintenance of neutrality and cordial relations with all other states." This declaration was answered on September 21 by Jacob Schaffner in *Das Reich*, a Berlin weekly, in which he demanded that Switzerland "find a new relationship" to Germany and charged that Swiss policy was intolerable. *Das Reich* added that there was a cultural, historic basis for unity between Switzerland and Germany.⁴¹

While Switzerland's political future remained in the balance, its economic situation showed signs of deterioration. Already burdened with expenditures for the maintenance of an army of 300,000 men, Switzerland was also cut off from export markets, foreign sources of raw materials, and tourist trade. This situation was particularly difficult for a country which must import the bulk of its foodstuffs, and pay for them with finished goods manufactured out of imported materials. Although food stocks were declared in September to be still adequate, rationing had been introduced for many items,⁴² and on October 4 the government took over control of all bread grain stocks.^{42a}

THE LOW COUNTRIES

The fate of the two Low Countries in a German-controlled Europe has not yet been clearly determined. It has been reported that the Nazis might divide Belgium on linguistic lines into Flemish and Walloon provinces, linking the Flemish provinces with the Netherlands, and the Walloon provinces with northern France which, under this arrangement, would remain permanently separated from the rest of France.

Belgium. Belgium is the only occupied territory which as yet has no native administration. The Cabinet of Premier Piérlot, which took refuge in France following the collapse of Belgium, de-

nounced King Leopold's surrender on May 28 as unconstitutional.⁴³ When France, in turn, was forced to sign the armistice of Compiègne, the Piérlot Cabinet withdrew to Vichy, where it is reported to have negotiated with German emissaries regarding its possible return to Belgium. On September 16, however, members of the Cabinet stated they were abandoning their efforts to govern Belgium "from a distance of about 800 miles,"⁴⁴ although it was subsequently denied that the Cabinet had been officially dissolved. The German Commissioner in charge of Belgium has sought to persuade King Leopold to assume the responsibility for administration of Belgium. The King, however, regards himself as a military prisoner, and remains confined to his palace, taking no part in the administration, which for the present is carried on by the German occupying authorities.

The German conquest has seriously disorganized the economic life of Belgium, which in normal times imported 50 per cent of its foodstuffs, chiefly from overseas, paying for these imports with manufactured goods. In a population of 8 million, one million were reported unemployed in September, and the number grew daily as civilian refugees, estimated at 1,700,000, gradually returned from France. The sharp rise in unemployment was due to the almost complete stoppage in public services, notably railways and shipping; cessation of work in many private enterprises, among others the building trades and undertakings dependent on imported raw materials; and the disorganization of many municipal, provincial and even national administrative organs. Public works projects, including state-financed restoration of crown lands, were being considered in an attempt to liquidate unemployment. Meanwhile, the German occupying authorities were recruiting unemployed Belgians for work in the Reich, notably workers in the metal, building, textile and wool trades.⁴⁵ Bread, meat, milk, eggs and butter were being severely rationed, at levels 30 per cent below those fixed for Germany,⁴⁶ while dairy products were being sent to the Reich.

The Netherlands. The Netherlands are administered by a Reich Civil Administrator, Dr. Seyss Inquart, former Austrian Minister of the Interior, with headquarters at The Hague. Dr. Inquart is assisted by an advisory staff of German specialists, which includes the former Aus-

43. *Ibid.*, May 29, 1940.

44. *Ibid.*, September 17, 1940.

45. *Christian Science Monitor*, September 7, 1940.

46. The Commission for Relief of Belgium, Inc., New York City, estimates that the daily bread ration as of September 1940 was as follows: for a German soldier, 18 ounces; for a German civilian, 12 ounces; for a Belgian civilian, 7½ ounces.

39. *Ibid.*, September 13, 17, 1940.

40. *New York Herald Tribune*, September 19, 1940.

41. *The New York Times*, September 22, 1940.

42. *Christian Science Monitor*, September 16, 1940.

42a. *The New York Times*, October 5, 1940.

trian Finance Minister, Dr. Hans Fischboeck. Direct responsibility for the measures dictated by the German authorities is borne by a Dutch administrative committee composed of the General Secretaries of the various Departments of the State; and German "advisers" are similarly "collaborating" with the provincial authorities. A "National Committee for Economic Collaboration" has been formed under the chairmanship of Dr. Fentener van Vlissingen, former chairman of the International Chamber of Commerce, and a Nazi sympathizer. Government bureaus have been formed, as in Germany, to control the distribution of raw materials and the allocation of government orders. Restoration of communications has been delayed by the destruction of bridges and railways and the lack of gasoline.

The principal economic problem faced by the Netherlands, as by all occupied countries, is re-orientation of its foreign trade, which had been carried on chiefly with non-European countries and the Dutch Indies.⁴⁷ The British blockade, extended to the Netherlands after its occupation by Germany, is estimated to have cut off between two-fifths and one-half of the country's former normal imports and exports.⁴⁸ The Germans have sought to encourage Dutch exports to continental countries, notably the Baltic region, Belgium and Switzerland. On August 1 a supplementary German-Yugoslav trade agreement was signed at Belgrade which covers payments between Yugoslavia and the Netherlands—the first agreement concluded by Germany in the name of an occupied state.⁴⁹

Relations between the German occupying authorities and the Dutch population, at first marked by extreme civility on the one side, and stunned resignation on the other, have shown signs of increasing strain as the Dutch began to realize the consequences of conquest. The Germans have carried out "reprisals" in the Netherlands for alleged "unworthy treatment" of German war prisoners in the Dutch East Indies, and many leading Dutchmen are reported to have been arrested and deported to the Reich.⁵⁰ Free Masonry was abolished on September 5. The press is controlled,

as in Germany, by a "press chamber," under the leadership of individuals representing the "new order." While the German authorities have not yet placed Dutch Nazis in power, they have given increasing support to Anton Mussert, who on September 13 announced the establishment of a Dutch SS patterned on the German SS (*Schutzstaffel*). This militia, he declared, "will demonstrate the blood kinship of the Netherland and German people."⁵¹

THE OUTLOOK IN FRANCE

Under the armistice of Compiègne, which divided France into two sharply separated areas, the government of Marshal Pétain, with headquarters at Vichy, retains nominal administrative control over the country; but in the three-fifths of France occupied by German forces it exercises even more limited authority than in the unoccupied south. From the beginning, the Germans indicated that the Pétain régime should be regarded as transitional, and refused to specify the future disposition they intend to make of France until after the conclusion of military operations against Britain. No important decision can be taken by the Pétain government without previous consultation with the Franco-German Armistice Commission, sitting in Wiesbaden, Germany, or with the German Ambassador to Paris, Otto Abetz.

Marshal Pétain, who is known as a nationalist, a monarchist, and an advocate of return to a peasant economy, is attempting, within the limits imposed on his régime by German occupation, to adapt France to the "new order" the Nazis plan to introduce in Europe. The political system of the Third Republic, established in 1871 after a series of revolutions, has been liquidated, and with it has been liquidated, for the time being at least, the heritage of the French Revolution of 1789. On July 9 the French Parliament approved a draft resolution giving Marshal Pétain full power to create a new constitution for the French state, by a vote of 395 to 3 in the Chamber of Deputies and 229 to 1 in the Senate.⁵² On the following day the two houses, sitting together as a sovereign National Assembly, formally enacted the resolution by 569 votes to 80, although dissident legislators succeeded in inserting a provision for a plebiscite on the new charter.⁵³ On July 12 Marshal Pétain proclaimed the new organic law by personal decree and appointed a cabinet responsible only to him. Under the new law the Chief of State names

47. The bulk of the Dutch merchant fleet, which totaled 1,500 ships of about 3 million tons, was kept out of German hands, including all the 60 steamers and 12 motor vessels of the Royal Netherlands Line. *Christian Science Monitor*, September 10, 1940.

48. "Holland under German Control," *The Economist* (London), August 24, 1940, p. 244. Cf. also "Die Niederlande stellen sich um," *Der deutsche Volkswirt*, August 2, 1940, p. 1584.

49. "Holland under German Control," cited.

50. *The New York Times*, September 22, 1940, dispatch from Berlin; also *The Sun*, October 7, 1940, dispatch from Amsterdam via Berlin.

51. *The New York Times*, September 14, 1940.

52. *Ibid.*, July 10, 1940.

53. D. H. Popper, "Pétain Sets up New Order in France," *Foreign Policy Bulletin*, July 19, 1940.

the cabinet, and exercises executive authority. He also exercises full law-making powers pending the formation of a new legislature, and whenever he considers that foreign or internal crises render it necessary. Although he cannot declare war without the assent of the projected assembly, he has full command of the armed forces and may proclaim a state of siege. The functions of the future Parliament, if and when elected, are expected to be purely advisory. It will probably be organized on a corporate basis, on the pattern of Italy and Spain, with a lower house representing various branches of production and commerce and an upper chamber composed of a cross-section of the new French élite.^{53a}

Yielding to insistent German demands for the elimination of "politicians" from the Pétain government, the Marshal on September 6 reorganized his Cabinet, removing all members who had formerly served in the French Parliament.⁵⁴ His Vice Premier, M. Laval, however, remained in office, and is henceforth to preside over meetings of a cabinet council of thirteen department heads and coordinate the work of the various government departments, with full control of the press and radio. Laws and general policies will be formulated by an inner cabinet, known as the Council of Ministers, consisting of eight secretaries of state, with Marshal Pétain acting as President. The new Cabinet is composed principally of civil servants. General Weygand, assigned to duty in French Morocco, was replaced as Minister of War by General Charles Huntziger, who signed the Compiègne armistice, and subsequently served as chief French delegate on the Wiesbaden Armistice Commission.

So far as can be determined from censored press dispatches, there is considerable divergence between Marshal Pétain and M. Laval regarding the character of the new régime. The Marshal is reported to favor restoration of the monarchy under the Count of Paris (Henri VI in the Bourbon-Orleans succession), who is at present in French Morocco, and who in turn favors establishment of a "popular social monarchy" in which he would assume the rôle of Monarch-Fuehrer.⁵⁵ This plan appears to have the support of General Weygand and of Count François de la Rocque, leader of the French Social party. By contrast, M. Laval is said to advocate the establishment of a French National Socialist régime, in which he would share power with men like Jacques Doriot, Marcel Déat (who has transferred his newspaper, *L'Oeuvre*, to Paris), Adrien Marquet, Mayor of Bordeaux, and Gaston Bérger, who had acted as a one-man party in the

Chamber of Deputies, urging a form of fascism adapted to the needs of France. Meanwhile, the Radical Socialist party, formerly led by Premier Daladier and M. Herriot, president of the Chamber of Deputies and Mayor of Lyons, is denounced on the ground that it used to be controlled by Free Masonry, and seems to have suffered an eclipse. The French Popular party of Jacques Doriot demands that the "national revolution should be completed." Catholic organizations are working for restoration of the nation on a basis of Christian morality through such associations as the Young Catholic Workers and the Young Catholic Farmers. The Socialists have rallied to the Pétain government, and insist they have not surrendered their principles but will henceforth practice them only in the national sphere, abandoning their international ties. And both the Pétain and Laval factions bitterly oppose supporters of the "Free France" movement, led by General de Gaulle, former Undersecretary of War in the Reynaud Cabinet, who has established headquarters in London. On September 24, following an attempted landing by de Gaulle forces at Dakar, French West Africa, the Pétain government declared that it would ruthlessly repress General de Gaulle's partisans in France, and announced the creation of a court of summary jurisdiction, from whose decisions, to be taken in 48 hours and executed in 24, there will be no appeal.⁵⁶

The political division of France, already physically divided by the armistice, was further emphasized by preparations for the trial, in the provincial town of Riom, of Republican statesmen accused of responsibility for the war. In September former Premiers Edouard Daladier, Paul Reynaud, and Léon Blum; General Maurice Gustave Gamelin; and Georges Mandel, Minister of the Interior in the Reynaud Cabinet, were interned in the Chateau de Chazeron, awaiting trial on charges prepared with the collaboration of Georges Bonnet, former Foreign Minister, who had favored "appeasement." Two former Air Ministers, Pierre Cot, at present in the United States, and Guy La Chambre, who returned to France to stand trial, were also indicted for their acts while in office. It was believed that the Pétain government hoped to fix responsibility for France's military unpreparedness and to avoid the accusation of collective war guilt in a Nazi-dictated peace treaty by placing the blame on former Republican leaders.

Meanwhile, the French social and economic system was rapidly being adapted to "new conditions." A special commission was set up to re-

53a. *Ibid.*

54. *The New York Times*, September 7, 1940.

55. *Ibid.*, September 25, 1940.

56. *Ibid.*

examine the naturalization of all persons naturalized after 1928. Individuals holding public office or engaged in professions such as law and medicine had to prove not only that they were French citizens, but that their fathers, too, had been French. A number of groups were formed for the training of youth, of which *Compagnons de France* seemed the most successful. The government attempted to improve its relations with the Catholic Church, which under the Republic had been cool, and sometimes hostile. On September 3 it repealed the law of 1904 forbidding teaching by religious orders in French schools; and educators were instructed to stress the need for religion. Republican legislation banning anti-Semitic activities was repealed, and a number of demonstrations against Jews were reported in both occupied and unoccupied France. Free Masonry, long denounced for its political influence by the Right and by the Church, was abolished, and all French government officials and employees were required to take on oath that they had no connection with Free Masonry.⁵⁷ By a decree of September 12 the government assumed sweeping powers over production and trade, which seemed to mark the end of liberal capitalist economy; and stringent measures were adopted to regulate various branches of industry, agriculture and commerce.

The country's economic recovery is severely hampered by the requisitions of German occupying authorities; the disruption of railway and postal communications between the two sections of France; the destruction of many bridges; and the lack of gasoline. In accordance with the terms of the armistice, the Germans imposed on France a charge of 20 million marks a day (\$8,000,000 at official rates) for the maintenance of German troops in occupied France. This sum must be paid by the French Treasury at the arbitrarily low exchange rate of 20 francs to the mark. The amounts left over after payment of the actual occupation, which are believed to be far below this daily charge, can then be used by the Germans for purchase of French products. The German troops, as well as German civilians who have been brought to occupied France, purchase all available consumers' goods and foodstuffs at the same arbitrary low rate and either consume them on the spot or send them to their families in the Reich. These various forms of "reparation," imposed in advance of the peace settlement, and with no indication of the further sacrifices this settlement may exact from France, have led some observers to believe that the Germans intend to "bleed France white," and thus prevent economic recovery.

57. *Ibid.*, September 6, 1940.

THE FOOD SITUATION

The most acute problem created in Europe by the war and the German occupation is the possibility that, during the winter of 1940-41, many of the countries of the continent may suffer a shortage of food, in some cases approaching famine. On August 11 former President Herbert Hoover issued an appeal for prompt and realistic action to organize relief in Holland, Belgium, Norway and Poland. Mr. Hoover declared that there would soon be "wholesale starvation, death and disease in these little countries unless something is done about it."⁵⁸ He added that his relief plan depended on fulfillment by Germany of certain basic conditions. Germany, he said, must agree to take none of the domestic produce of the countries which would be given relief; to furnish an equivalent of any food already taken; to permit imports from Russia and the Balkan states; and to permit adequate control of distribution by a neutral, non-governmental organization, "so as to enable it to assure that those guarantees are carried out." Under Mr. Hoover's plan, foodstuff purchases in the Western Hemisphere were to be financed out of funds held by the occupied countries in the United States.

The essence of the European relief problem is that the continent is not self-sufficient in foodstuffs, and normally must import grains, sugar, meat and other products from overseas countries, notably the United States, Canada and Latin America. In time of peace Belgium imported 50 per cent of its food, Holland 30 to 40 per cent, Norway 40 per cent, and the German-administered part of Poland 30 to 40 per cent.⁵⁹ European countries that raised livestock, notably Denmark and Holland, depended, in addition, on imported fodder. Once Britain extended its blockade of Germany to cover all countries under Nazi rule, Europe, with the exception of the Soviet Union, was cut off from direct access to overseas markets, and had to rely solely on its own resources. Estimates as to crop prospects for this year vary widely. The Nazis assert that they have sufficient food reserves for their own needs,⁶⁰ but that the crops of the Balkan countries, on which they plan to draw,

58. *Ibid.*, August 12, 1940.

59. For an analysis of Europe's food needs, cf. "World Sufficiency in Foodstuffs," *Institut für Konjunkturforschung* (Berlin), Report No. 5/6, 1939.

60. On September 30 Richard Darré, German Minister of Agriculture, declared that Germany's 1940 bread grains harvest would be only 2 per cent under the peace-time average and would "insure the stability of bread rations in Germany for a long time to come." He added that "there will be no special difficulties to overcome" in the occupied countries during the coming winter, and criticized the "laziness" of French agriculture. *The New York Times*, October 1, 1940. Germany is normally 83 per cent self-sufficient in foodstuffs.

may show a decrease of 20 per cent due to a hard winter and the harvesting problems created by large-scale mobilization last summer in Hungary and Rumania. An acute shortage of fats and breadstuffs is expected in Holland, where a large number of livestock must be slaughtered (as in Denmark) due to shortage of imported fodder. France and Belgium have also suffered severely, both because a considerable portion of their territory served as a battlefield during the harvest season, and because their agricultural workers were not demobilized promptly, as in Holland. France, moreover, has been split into two sections, of which the unoccupied region is least rich in foodstuffs yet must, under present circumstances, feed large numbers of refugees from the occupied region in addition to its normal population. Disruption of communications between occupied and non-occupied territory has created serious shortages of certain commodities in the south, principally butter and milk, as well as of coal, mined in the north.

Even more serious is the situation in German-occupied Poland, which suffered severe food shortages last winter. As long as Italy was a non-belligerent, the American Commission for Relief of Poland, Inc., had been able to purchase foodstuffs in the United States which were shipped into Poland via Genoa over Italian and German railways. Following Italy's entrance into the war and extension of the British blockade to the Mediterranean, the Commission bought food supplies in countries adjacent to Poland, notably Lithuania, and sent them into the Gouvernement General of Poland for child-feeding purposes under strict American control. The absorption of the Baltic states by the Soviet Union had not affected the Commission's purchases in that region as of October 1. Relief organizations, however, fear that the food situation in Poland during the coming winter will assume the proportions of a catastrophe.⁶¹ Yet both the British Ministry of Economic Warfare and the United States Department of Agriculture believe that the problem is less one of actual shortage than of maldistribution, and could be solved if Germany undertook to distribute available supplies in an equitable manner, instead of hoarding them for its own population.^{61a}

The position taken by the German government is that the countries which fought the Reich did so at their own risk and must expect no assistance from the Nazis, or from the Balkans, which are to

serve as a storehouse of food solely for the Reich. Nor can the countries of Western Europe hope to receive food from the Soviet Union, which is itself suffering from a shortage of many products, and has undertaken to send the Reich such foodstuffs as it can spare.

Britain, engaged in a life-and-death struggle with Germany, in which its blockade of the continent remains one of its most powerful weapons, definitely opposes any measure that would provide food for occupied European countries and thus, indirectly at least, alleviate Germany's economic problems. Nazi propaganda, for its part, has attempted to create the impression in the United States that the British are "cruel" in blocking relief of Holland, Belgium, Poland, Norway and France, and has sought to convince the people of occupied countries that their real enemy is not Germany, but Britain.

If the question were solely one of relief, an incontrovertible argument could be made for sending food and other supplies to European countries which have already suffered great hardships and, unless assisted now, may experience an even more demoralizing brutalization than that undergone by Germany during and after the World War. The British, however, as well as many people in the United States, believe that any food sent to the occupied countries will either be appropriated by the Nazis, or will relieve the lot of the conquered peoples to such an extent that they will acquiesce in Nazi rule. It is apparently assumed that, if the conquered peoples of Europe are reduced to starvation, they will revolt against the Nazis and thus indirectly aid in the defeat of Germany. This assumption, however, overlooks the fact that starving people—as demonstrated in Russia after the Bolshevik revolution—are more apt to sink into apathy than to revolt. Moreover, it can be argued with equal cogency that, by withholding food shipments from occupied countries, the British may provoke hostility rather than enthusiastic support among the conquered peoples, and thus jeopardize their own future influence on the continent. At the same time, the German government has given no indication that it would accept the guarantees suggested by Mr. Hoover. From the point of view of the Nazis, the only end that is important for the time being is a victory over Britain, and any means designed to reach that end will be employed, even if this means starvation and death among non-German peoples.

CONCLUSION

The growing realization of what Nazi rule may mean for non-German peoples in case of German

61. Cf. statement issued by the Commission for Relief of Belgium, July 24, 1940. *The New York Times*, July 25, 1940.

61a. Cf. statement by Hugh Dalton, British Minister of Economic Warfare, on October 2, 1940, *ibid.*, October 3, 1940; and reports issued on October 6 by the United States Department of Agriculture, *ibid.*, October 7, 1940.

victory has profoundly altered the attitude of many Europeans toward the war. When Germany was rapidly conquering one country after another in the spring of 1940 by a remarkable combination of military efficiency, terrorism, skillful propaganda and the assistance of dissatisfied "fifth column" elements, it seemed to many that a total German victory over Britain was inevitable, and that it was imperative to come to terms with Hitler's "new order." But when Britain began to give signs of resistance and German plans for a quick victory had to be revised, sentiment in the occupied territories underwent a change. The hope revived that Britain, if it could not actually win the war, might at least cause a stalemate which would restrict German domination of the continent. And with this hope came the belief in many quarters, previously lukewarm toward the Allies, that only a British victory could save Europe from complete subjugation to the new German Empire.

In its struggle against Germany, Britain had the support of the exiled governments of Poland, headed by Premier Sikorski; Czechoslovakia, headed by Mgr. Sramek; Holland, headed by Premier Gerbrandy; Norway, headed by Premier Nygaardsvold; the Belgian Minister of Colonies, who supervises administration of the Belgian Congo; and the "Free France" movement, led by General de Gaulle. All these exiled cabinets, together with President Benes of Czechoslovakia, Queen Wilhelmina of Holland and King Haakon of Norway, had found refuge in Britain. Their support of the British took the form of limited military assistance, rendered by Czech, Polish, Dutch, French, Norwegian and Belgian soldiers, airmen and sailors who had escaped from the continent;⁶² and various kinds of economic and financial aid, such as British control of their shipping, access by Britain to the raw materials of the Dutch East Indies and the Belgian Congo, and use of the gold and credit resources of occupied countries abroad, notably in the United States.

In recognizing these governments in exile as the legitimate rulers of their respective occupied countries, Britain gave its pledge that it would "restore" these countries when it had defeated Germany. This pledge, which squarely challenges Nazi plans for the establishment of a "new order" on the continent, raises far-reaching questions regarding the future of Europe. Many statesmen and publicists in Britain and the United States have advocated the unification of Europe, hitherto on the assumption that this unification would be imposed by the victorious Allies on a defeated

Germany, would restore the *status quo* of August 1939, and would be patterned on Anglo-Saxon democratic institutions, with a definite effort to improve the admittedly defective machinery of the League of Nations. Few among them had thought that other powers might also attempt the unification of Europe, but on radically different lines. To the conquered peoples of the continent Hitler promises not only the creation of a Pan-German Empire, but the liberation of all Europeans from the yoke of the British and American "plutodemocracies," and the establishment of "socialism." Yet if the settlement imposed by Germany on Europe, with its suppression of individual and minority rights, its concept of a "master race" ruling over enslaved peoples, and its exploitation of the resources of occupied countries for the benefit of the Reich, is a foretaste of Europe's future; then it may prove difficult for those who have denounced the "imperialism" of Western "plutodemocracies" to assert that Hitler's "new order" marks an advance in terms of relations between men and nations.

Hitler's promise of a "new order" challenges the Western powers to outline, in turn, the system they would offer Europe as an alternative to Nazi domination. If the British and American people are to escape the disillusionment of the post-1919 period, they must recognize that, whatever the outcome of the war, it will be difficult, if not impossible, to effect a return to the *status quo* of 1939. Behind the façade of Nazi rule fundamental changes are taking place in Europe. Millions of people on the continent, no matter how much they may resent the Nazis, at the same time feel the need for new leaders and a new order. It will not be enough, in case of a British victory or stalemate, to restore the order of things which existed at the outbreak of war, and which contained the seeds of conflict and revolution. In planning for a European reorganization which might offer an alternative to Nazism, the Western powers will have to bear in mind three major considerations: that the 80 million Germans on the continent are bound to play a major part in the future development of Europe, and can neither be permanently suppressed nor exterminated; that Britain and the United States, if they wish to participate in Europe's affairs, must accept responsibilities, as well as advantages, on that continent; and that victory over Nazism can be achieved only if the Western powers, instead of attempting to check revolutionary political and economic changes all over the world, take the initiative out of the hands of the Nazis by formulating and actively advancing their own program of fundamental reforms.

62. Cf. "Foreign Armies in Britain," *The Economist* (London), August 17, 1940, p. 214.